

TERMINATION AGREEMENT AND RELEASE

WHEREAS, the State of California Department of Corrections and Rehabilitation, ("CDCR") and The GEO Group, Inc. ("GEO") entered into an Agreement for Offender Relocation/Housing effective October 18, 2006 (the "Agreement"), which Agreement provided for GEO to house up to 1,260 CDCR offenders in a prison owned by the state of Indiana, known as the New Castle Correctional Facility (hereinafter "NCCF"); and

WHEREAS, as a result of an insufficient number of CDCR offenders volunteering to be transferred to the NCCF and/or delays related to litigation filed by public employee unions seeking to enjoin CDCR's planned utilization of the NCCF, CDCR was unable to transfer CDCR offenders to the NCCF in accordance with the transfer schedule set forth in the Agreement; and

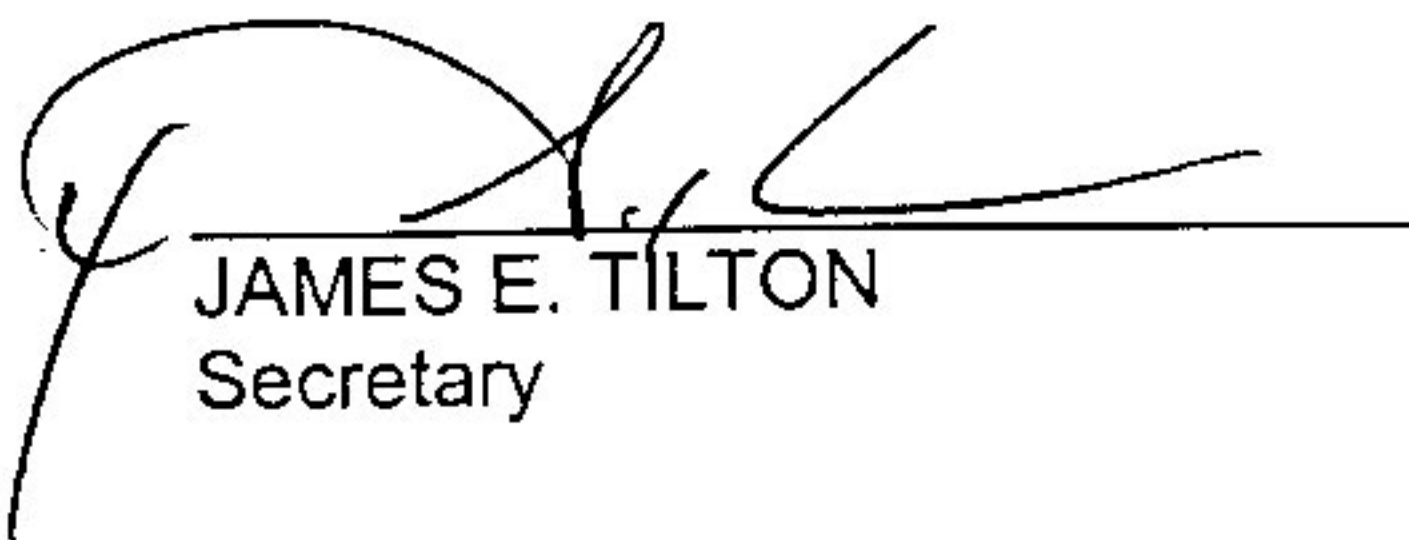
WHEREAS, on December 21, 2006, the Secretary of CDCR advised the Indiana Department of Correction ("IDOC") and GEO in writing that should the IDOC reach agreement with another jurisdiction for the use of the NCCF beds that were to be utilized by CDCR under the Agreement that CDCR would release the IDOC and GEO from any and all contract commitments with respect to CDCR's right to use those same beds;

WHEREAS, CDCR is now advised that the IDOC has reached agreement with another jurisdiction for the use of the NCCF beds that were previously to be used by CDCR under the terms of the Agreement;

NOW, THEREFORE:

1. The California Department of Correction and Rehabilitation and the GEO Group, Inc. hereby fully release each other and the Indiana Department of Correction from any and all further contract commitments that might exist with respect to CDCR's right to use any of the NCCF beds; and
2. Upon execution of an agreement between IDOC and another jurisdiction for the use of the NCCF beds that were to be used for the housing of CDCR offenders under the terms of the Agreement, the Agreement for Offender Relocation/Housing entered into between CDCR and GEO effective October 18, 2006 shall be deemed immediately terminated and of no further force and effect the parties waiving all rights thereunder.

California Department of Correction and Rehabilitation



JAMES E. TILTON
Secretary

3-2-07
Date